

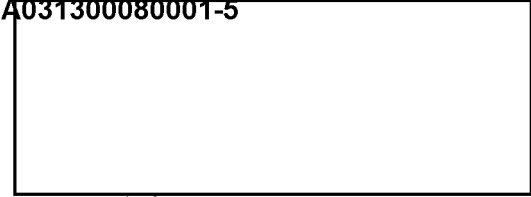


Director of
Intelligence

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

Top Secret

25X1



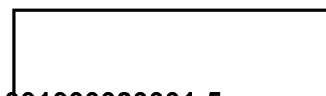
PR

National Intelligence Daily (Cable)

10 April 1979

State Dept. review completed

Top Secret



25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

Copy 558

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

National Intelligence Daily (Cable)

25X1

Contents

Briefs and Comments

Somalia-USSR: *Relations* 1

France: *A Boost for Mitterrand*. 2

Spain: *The New Cabinet*. 3

25X1

Eastern Europe: *Tighter Energy Constraints* . . 5

Japan: *Local Elections*. 6

25X1

Albania-Yugoslavia: *Rail Connection* 7

China: *Capital Construction Cutbacks*. 8

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

BRIEFS AND COMMENTS

SOMALIA-USSR: Relations

//Somali President Siad recently informed the Soviets that he has reduced his support of the anti-Ethiopian guerrillas in the Ogaden; this is the same message he passed to the US in an effort to meet conditions for acquiring US arms. Siad has been careful to keep the lines of communication open to Moscow since he expelled all Soviet military and civilian advisers in November 1977 in frustration over Soviet support to Ethiopia. At the same time, he has tried to use his contacts with Moscow as leverage to obtain favors from the West and conservative Arab states.

25X1

//Last year, following the war with Ethiopia, Siad increased guerrilla activity in the Ogaden. He probably was aware of Soviet efforts to effect a reconciliation between the Ethiopian regime and the Eritrean rebels and appeared hopeful that the Soviets would play a similar role in the Ogaden.

25X1

25X1

//Moscow thus far has reacted negatively. The Soviet leaders distrust Siad and are more concerned with solidifying their position in Ethiopia. Before Moscow would move to normalize relations with Somalia, it would probably insist that Somalia renounce its irredentist claims and cease its support of the Ogaden insurgents. Siad, however, is unlikely to take these steps because they would weaken his domestic position.

25X1

//Siad also has attempted to capitalize on Western and Saudi concern over a possible rapprochement between Somalia and the Soviet Union. Through direct contacts with Moscow and hints of a possible return to the Soviet camp, Siad has tried to extract military, political, and economic support from these sources.

25X1

25X1

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

FRANCE: A Boost for Mitterrand

The Socialist Party's congress over the weekend confirmed Francois Mitterrand's leadership by a plurality of 47 percent. Mitterrand had been sagging badly in the polls behind his two principal rivals, Michel Rocard and Pierre Mauroy, and the vote of confidence, plus the party's good showing in the recent cantonal elections, should boost Mitterrand's stock. The failure of rival factions to resolve their differences at the congress, however, may hurt the party in the long run.

25X1

The deep factional divisions evident at the congress probably will not have much effect on the party's showing in the election for the European Parliament in June because of the special nature of that contest. What may be at stake is the long-range credibility of the Socialist Party as an alternative on the national level to the present center-right coalition. Many Socialists apparently voted for Mitterrand out of sheer loyalty. Polls show that Michel Rocard would be a stronger presidential candidate, and some Socialists say it would be better to go down to defeat in 1981 with him than with Mitterrand, who would at that point become a three-time loser in the presidential sweepstakes.

25X1

Rocard announced after the congress that, while he and his followers will establish a formal group within the party opposition, he will not contest the presidential nomination if Mitterrand wants it. This does not mean that the battle for the nomination is over. The presidential candidate will be voted upon by the entire party, where Rocard has greater strength than he had among the delegates at the recent congress. From his vantage point, Rocard will be able to stake out policy positions that will probably be closer than Mitterrand's to the views of the basically moderate Socialist electorate.

25X1

25X1

25X1

SPAIN: The New Cabinet

The composition of Prime Minister Suarez's new cabinet will strengthen his hold on the government and enhance his ability to act decisively. Socialist and Communist leaders see the new cabinet as a move to the right. Although possibly undeserved, this perception will make it difficult for the government to secure their needed cooperation on pressing problems.

25X1

Second Deputy Prime Minister Abril will continue in office and help strengthen Suarez' hold on the government. Abril retains overall responsibility for both political and economic affairs. The absence of Abril's principal rivals from the new cabinet--Finance Minister Fernandez Ordonez and Interior Minister Martin Villa--and the elevation of several of his proteges to ministerial posts further strengthen Abril's role.

25X1

The US Embassy believes Suarez' desire to tighten control over the cabinet rather than ideological considerations led to the ouster of Fernandez Ordonez and two other leaders of the moderate factions in the government party. Nonetheless, the left insists that the government has moved to the right and that the cabinet is now dominated by two former Francoist officials--a reference to Suarez and Abril.

25X1

Suarez also made changes to clarify responsibilities for defense and public order. First Deputy Prime Minister for Defense Gutierrez Mellado will assume a broader responsibility for security matters, and apparently will coordinate the internal security operations of the interior ministry and functions of the defense ministry. A civilian, the former minister of industry, was appointed defense minister in a move to tighten control over the military and introduce management expertise. Suarez' appointment of a lieutenant general to the interior ministry will appease some in the military who considered the outgoing minister not harsh enough, but will anger the Basques and others who found him too tough.

25X1

Government leaders are countering leftist criticism by charging that the Socialists have succumbed to Communist tactics in agreeing to unity of action between the two parties to promote the election of leftist mayors.

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

25X1

EASTERN EUROPE: Tighter Energy Constraints

The East European countries are caught in an energy squeeze caused largely by the declining growth of Soviet oil deliveries. Increased Soviet shipments of gas and electricity will allow some easing of Eastern Europe's energy problems during the next 18 months or so. After 1980, however, the Soviets are likely to freeze the level of total energy deliveries while cutting oil supplies, forcing the East European countries to reduce energy consumption to the point that economic growth goals will have to be modified.

25X1

The USSR supplies most of the region's crude oil, natural gas, and electricity imports. The bulk of these deliveries are in the form of oil, although gas is becoming more important. Bulgaria, Czechoslovakia, East Germany, and Hungary receive between 30 and 70 percent of their total energy requirements from the USSR. From 1971 to 1975, increased Soviet deliveries accounted for almost all of the growth in energy consumption of these four countries. Poland, a large coal producer, is less dependent on the Soviets, and Romania imports little energy and no oil from the USSR.

25X1

The energy outlook for Eastern Europe in the 1980s is bleak. The most likely prospect--according to an informed Soviet official--is that Soviet energy deliveries to Eastern Europe from 1981 to 1985 will remain at the 1980 level although their composition will change; exports of gas and electricity will rise to offset the decline in oil deliveries. The Soviets also are taking a tough stand on related issues--pressing the East Europeans to invest more in Soviet projects and demanding hard currency and better quality goods in return for Soviet energy.

To fill the energy gap--about 1.2 million barrels-per-day oil equivalent in 1985--the East Europeans would have to more than double their imports of oil from non-Communist sources, which would increase the oil import bill from \$3.2 billion this year to \$7.2 billion. For most East European countries, however, hard currency constraints probably would rule out imports of this magnitude, causing them instead to accept further cuts in economic growth.

25X1

25X1

25X1

25X1

[REDACTED]

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

JAPAN: Local Elections

The success of Japan's Liberal Democratic Party in the first round of nationwide local elections on Sunday has reinforced the view in Japan that the ruling party's political fortunes are on the rise. The Liberal Democrats' performance also is likely to fuel sentiment in the party for an election later this year to improve its slim majority in the lower house of the Diet. [REDACTED]

25X1

The low voter turnout on Sunday--about 64 percent nationwide--favored the ruling party. The Liberal Democrats, who participated in several local coalitions with the moderate opposition parties, took well over half of the prefectural assembly seats at stake and won all 15 contested governorships, including the most important posts in Tokyo and Osaka. In winning the Tokyo race, the conservative-moderate opposition coalition toppled the leftwing candidate for the first time in 12 years. In Osaka, a similar arrangement unseated an incumbent governor who was strongly backed by the Communist Party.

25X1

Overall, the electoral gains by both the Liberal Democrats and the moderates underscore the disarray among the Socialist and Communist parties, which have suffered a continuing decline at the polls over the last several years. For his part, Prime Minister Ohira will weigh carefully his party's performance in this and the next round of local elections later this month before committing himself to a national election for the Diet. [REDACTED]

25X1

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

ALBANIA-YUGOSLAVIA: Rail Connection

Yugoslavia and Albania agreed on Saturday to connect their railroad systems by constructing a line between Titograd and the Albanian city of Skhoder. The long-planned move, which has been blocked by a bitter ideological feud between the two regimes, is certain to further bilateral economic ties. Despite its noisy polemics against Yugoslav "revisionism," Albania has stepped up trade contacts with Yugoslavia; trade turnover this year reportedly is scheduled to reach \$53.6 million, a 55-percent increase over 1978. Agreement on the new line--Albania's first international rail link--also is important in view of Albania's current stress on increasing economic contacts with Western Europe, a trend that has been particularly noticeable since the Chinese cut off economic assistance last July.

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

CHINA: Capital Construction Cutbacks

China, in a reassessment of its 10-year economic plan (1976-85), has ordered a sweeping retrenchment in capital construction projects now under way or in the planning stage. An editorial on 24 March in the *People's Daily* concedes that too many projects are under construction, illegal channels are being used to obtain building materials, "chaotic" management is resulting in lengthy delays, and many projects should not have been started in the first place because of the lack of adequate feasibility studies. At the very least, the government plans to tighten control over and promote greater efficiency in the construction sector. State-run enterprises now will receive investment funds from the banking system as interest-bearing loans and thereby have more of an incentive to screen out unnecessary construction projects and insist on efficient completion of approved projects. State firms also will be required to sign legally binding contracts, specifying sources and quality of supply, design parameters, and completion dates, with the various units involved in the design and construction of a project.

25X1

25X1

25X1

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

25X1

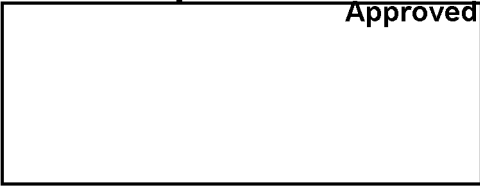
Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5

25X1

Top Secret

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5



Top Secret

Approved For Release 2004/07/08 : CIA-RDP79T00975A031300080001-5